



## STAFF REPORT

DATE: SEPTEMBER 18, 2012  
TO: HONORABLE MAYOR AND CITY COUNCIL  
FROM: ROD FOSTER, CITY MANAGER  
PREPARED BY: DAVID KOLK, ELECTRIC UTILITY DIRECTOR  
SUBJECT: APPROVE THE PURCHASE OF ITRON METERS FOR THE ELECTRIC DEPARTMENT.

### RECOMMENDED ACTION

It is recommended that City Council waive the competitive bidding requirement and approve the annual purchase of Itron electric meters from McAvoy & Markham Engineering and Sales Company, Inc. in the estimated annual amount not-to-exceed \$156,859.

### GOAL STATEMENT

The proposed action will support the City's goal to provide safe, reliable, affordable, and environmentally sustainable electric service.

### BACKGROUND

The Colton Electric Department uses electronic receiving and transmission (ERT) meters for collecting usage data from utility customers. Older meters are being replaced with the ERT meters as part of the City's standardization program, and in an effort to reduce meter reading costs. On June 1, 1999, the City Council approved the standardization of the Itron meter reading system. As such, the waiving of competitive bidding requirements is considered routine in this specific annual purchase.

### ISSUES/ANALYSIS

McAvoy & Markham Engineering and Sales Company, Inc. is the only distributor authorized to sell Itron products in Southern California. Staff has estimated the quantity of residential, commercial and ISO meters required for Fiscal Year 2012/13. Staff has obtained pricing from the vendor for each type of meter. The pricing will be firm for the entire fiscal year as follows:

FM 2S, Centron (open-way) ERT meters (C1SR).....	\$ 149.60 each
FM 2S, Centron ERT meters (C1SR), Cat. #C95-0509.....	48.15 each
FM 3S, Centron ERT meters (C1SRD), Cat. #C95-0520.....	239.00 each
FM 4S, Centron ERT meters (C1SRD), Cat. #C95-0516.....	240.00 each

FM 5S, Centron ERT meters (CP1SRD3), Cat. #C95-0514...	275.00 each
FM 9S, Centron ERT meters, with demand, (CP1SRD3) Cat. #C95-0515.....	275.00 each
FM 12S, Centron ERT meters (CN1SR), Cat. #C95-0507.....	102.95 each
FM 16S, Centron ERT meters (CP1SR), Cat. #C95-0513.....	199.00 each
FM 16S, Centron ERT meters, with demand (CP1SR3), Cat. #95-0512.....	275.00 each
FM 9S, Sentinel TOU management level 2, w.96 kb LP, Cat. #C95-0509.....	425.00 each
FM 2S Sentinel ERT meters with demand (SS1S1D), Cat. #C95-2013.....	159.00 each
FM9S, Centron ERT meters (CP1SLR3), Cat. #C95-0523....	325.00 each
FM45S, Centron ERT meters (CP1SLR3) , Cat. #C95-0524.	325.00 each

The Colton Municipal Code , Title 3, Chapter 3.08.140, Section (b) allows for the competitive bidding requirement to be waived for non-public projects when there is no competitive market. Specifically, Section (b) allows that the competitive bidding process to be waived , “[w]hen the City Council determines, in accordance with applicable law, that a competitive market does not exist and that no competitive advantage will be gained by the public bidding process.” In addition, Municipal Code 3.08.140 Section (e) also states the bidding requirements may be waived, “[w]hen the City Manager determines that it is in the best interest of the City and its administrative operations to dispense with public bidding for non-public projects under this chapter. Prior City Council concurrence with the City Manager’s determination shall be required for non-public project purchases over \$100,000.”

The Department has determined that it is in the City’s best interest to continue with the standardization of equipment and uniformity efforts and requests to continue purchasing Itron meters, as previously approved by the City Council. McAvoy & Markham Engineering and Sales Co., Inc. is the only vendor authorized to distribute Itron meters to the Southern California region, and there is no competitive market or advantages to be gained by public bidding.

## **FISCAL IMPACTS**

The purchase of electric meters was approved in the FY 2012/13 Electric Department budget. Funds are available in the Meters/Capital Improvement Account Number 520-8000-8024-3890-0107-000.

## **ALTERNATIVES**

1. City Council may provide alternate direction to staff.